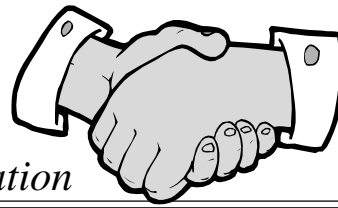


In Touch

The City's new monthly source for service information



Volume 1 - Issue 1

The Facts About Special Assessments

What are special assessments?

Special assessments, also known as “specials,” are a means provided by Kansas law for funding public improvements such as streets, water, sewer and sidewalks. Typically, the total cost of the improvements constructed and financed is proportionately charged to all benefiting property owners in the area. Some exceptions do exist for corner lots.

Are special assessments required?

No, special assessments are not required. In nearly all circumstances, they are used voluntarily. In fact, forming a special assessment district usually requires a petition signed by at least 51 percent of the owners of the benefiting land area. In Salina, most special assessment districts are purposely created by the original developer of the land, typically for residential subdivisions. Once a lot is sold and a new home built, the cost is transferred from the developer to the new land owner. This is the tool most often used by Salina's residential developers. Because it doesn't require private financing for the improvements, it can result in lower interest rate costs and the local developers don't have to manage the public improvement construction process.

What determines the cost of special assessments in Salina?

While the public improvements are typically similar in most new developments, costs can vary from lot to lot depending on lot size, land quality, labor and material costs and interest rates. Today's average lot assessment in Salina ranges from

about \$15,000 to \$20,000 per lot. Remember, this typically includes streets, water, sewer and drainage improvements. Assessments can be paid off at any time, but are typically spread out over 15 years.

Do other cities use special assessments?

Most Kansas cities do not use special assessments for new development. However, it is fairly common to see them used to finance new improvements in older, partially unserved neighborhoods. In Salina, our developers have historically chosen special assessments over obtaining private financing for new public improvements.

How do special assessments affect the cost of development?

We believe the costs should be equal to or slightly lower than what they would be otherwise. The reason is that public improvements have a cost, regardless of the financing method. This is true in every community. Mathematically, it would be easy to assume that the purchase price of a home should be proportionately lower if the cost of public improvements is paid for by special assessments, rather than being passed on through the purchase price. However, the final home price is determined by the developer or builder and doesn't necessarily reflect this rule.

We hope you have found this information helpful. If you have other questions or would like additional information related to special assessments, please feel free to contact the Department of Public Works – Engineering Division at 309-5725.

An informed citizen



is a better citizen!